

APPENDIX 4

HANDBOOK LETTERS REFERENCED IN THIS HANDBOOK

Handbook Letter 201 (3560), Letter of Priority Entitlement (LOPE)

Handbook Letter 202 (3560), Notification Letter for Supervisory Visit

Handbook Letter 203 (3560) Notice To Tenants (Members) Of Proposed Rent (Occupancy Charge) And Utility Allowance Change

Handbook Letter 204 (3560) RESERVED

Handbook Letter 205 (3560) Letter to Borrowers or Management Agent

Handbook Letter 206 (3560) Letter to Tenants

Handbook Letter 207 (3560) Letter to Notify Borrower or Management Agent of a Potential Wage or Benefit Discrepancy Which Requires Review

Handbook Letter 208 (3560) Request for Renewal Rental Assistance (RA) Allocation Change

REFERENCE: HB-2-3560 Chapter 6

PURPOSE: Letter of Priority Entitlement (LOPE)

RURAL DEVELOPMENT
[LOCATION]

DATE: *[insert today's date]*

SUBJECT: LETTER OF PRIORITY ENTITLEMENT (LOPE) FOR:

[insert Name of Tenant/Family]
[insert Tenant/Family's Address]

Dear Tenant:

[Suggested language for prepayment]

The Owner(s) of *[name, address to include city, state and zip code of prepaying property]* has been granted permission to pay off their Rural Development Loan on *[name of property]*. This means that you are entitled to priority placement on the waiting list of any Rural Development Section 515 Rural Rental Housing property, should you be displaced due to of rent increases, as a result this prepayment. This letter may also serve to give you preference in non-Rural Development properties and rental programs served by the Department of Housing and Urban Development (HUD) if their occupancy policy allows. Please present this Letter of Priority Entitlement to your new landlord.

[Or]

As a result of the *[insert description of natural disaster, uninhabitable situation]* for the above reference property you are entitled to priority for placement on waiting lists of any 515 rural rental housing property, that has units for which you are eligible to occupy. There is no geographic limit on this entitlement. This letter may also serve to give you preference in non-Rural Development properties and rental programs served by the Department of Housing and Urban Development (HUD) if their occupancy policy allows. Please present this Letter of Priority Entitlement to your new landlord.

Dear Rural Development or Housing and Urban Development (HUD) Property Owners:

The tenant named above is currently living in the Rural Development 515 multifamily housing property for which *[insert reason for LOPE letter i.e., authorized prepayment or uninhabitable or natural disaster]*. This letter must be used within 60 days from the above date to give this tenant/family priority placement on your waiting list(s). The only other tenants who may receive priority over this tenant/family are those who have already entered your waiting list with a letter similar to this one or handicapped tenants who need the particular design features of a vacant apartment. The above named tenant/family is to remain in this position on your waiting list until they receive an apartment or the list is purged in accordance with a Rural Development-approved policy. After 60 days, they may continue to be placed on waiting lists for apartments for which they are eligible, but without priority.

NOTE: This priority places the above-named tenant/family at the top of all waiting lists in your properties, regardless of other priorities (such as income) and eligibility's for apartment size so long as your property has at least one apartment, presently occupied or not, for which this tenant/family is eligible. If this tenant/family occupies an apartment for which size or type they are not eligible for, the lease must read that this tenant/family will move to the first appropriate apartment available.

If this tenant/family is receiving Rental Assistance (RA) at the prepaying property, they will continue to receive RA at your property if it is a property operating under Plan II of the Section 515 program. If you do not have a unit of unused RA to assign to this tenant/family, you will be allocated one unit for this purpose.

If the current security deposit is returnable to the tenant/family, but has not been released to the tenant/family by the move-in date, it should be assigned directly to you by the prepaying property if allowed by the laws of the State. Otherwise, you may have to wait to receive the security deposit until it is returned to this tenant/family.

Tenant Data:

Composition of Family _____
Tenant/Family/Elderly/Handicapped _____
Unit-Size Eligibility _____
Last Verified Income _____ as of _____
RA: _____
Section 8 Voucher: _____
Current Security Deposit: _____

If you have any questions, please contact the Servicing Office at the address below:

[RD Servicing Official signature and title]

REFERENCE: HB-2-3560 Chapter 9

PURPOSE: Notification Letter for Supervisory Visit

RURAL DEVELOPMENT
[LOCATION]

Date: [insert today's date]

[Name of borrower]

[Address of borrower]

Dear [insert borrower's last name(s), (Mr., Ms., Mrs.)]

Rural Development Servicing Office staff will be conducting a supervisory visit of [name of rural rental or cooperative project] located in the town of [city].

Your project review is scheduled for [date of visit], at [time] in the project [office or manager's office]. We would like to meet with the project [management agent, owner, board of directors or board president, bookkeeper, resident manager, etc.] at the time shown.

Please have the following records available for review:

- All project account records including bookkeeper records and others pertaining to the project, such as:
 - ◇ General operating account
 - ◇ Tax and insurance escrow accounts
 - ◇ Reserve account
 - ◇ Security deposit or membership fee account
 - ◇ Patronage capital account (if applicable)
 - ◇ Management reserve account, (if applicable)
 - ◇ Checking account
 - ◇ Savings account
 - The individual tenant or member files
 - Waiting lists
-

- ◇ Applications of those on the waiting lists
- ◇ Applications of those determined ineligible for occupancy
- Management plan and management agreement/certification
- Evidence of the effort made in the last 12 months to meet the objectives in your Affirmative Fair Housing Marketing Plan.
- A copy of the tenant lease or occupancy agreement used, with written evidence of your attorney's approval, Rural Development's approval, and HUD's approval (if HUD Section 8 is utilized).
- The mailing address for the project

If you have any questions, please contact this office.

Sincerely,

[Rural Development servicing official's signature and title]

ENCLOSURE

REFERENCE: HB-2-3560 Chapter 4

PURPOSE: Notice to Tenants (Members) of Proposed Rent (Occupancy Charge) and utility Allowance Change

**NOTICE TO TENANTS (MEMBERS) OF PROPOSED RENT
(OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE**

Date: *[insert today's date]*

[Name of Borrower/Project]

You as a tenant (member) are hereby notified that, subject to approval by Rural Development, rents (occupancy charge) and utility allowances may be changed effective _____. (at least 60 days from this posting or other timeframe if required by state law.)

_____ [Project Owner's Name] has filed a request for approval of a change in the monthly rent (occupancy charge) and/or utility allowances as of the [name of the apartment complex] with Rural Development of the U.S. Department of Agriculture for the following reasons:

- 1.
- 2.
- 3.

Planned rent (occupancy charge) changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		Proposed Rent (Occupancy Charge)		Amount Changed
	Basic	Note Rate	Basic	Note Rate	
Efficiency					
1-Bedroom					
2-Bedroom					
3-Bedroom					
4-Bedroom					
5-Bedroom					

Planned utility allowance changes are as follows:

Unit Size	Present Utility Allowance	Proposed Utility Allowance	Amount Changed
Efficiency			
1-Bedroom			
2-Bedroom			
3-Bedroom			
4-Bedroom			
5-Bedroom			

(Use the following paragraph when the tenant is receiving rental assistance)

Since you receive rental assistance, your contribution toward your rent (occupancy charge) and utilities will NOT be changed UNLESS your income and/or household composition changes. For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their costs for rent and utilities will be determined by the current HUD formula.

All materials justifying the proposed changes have been reviewed by Rural Development and will be made available to you and other tenants (members) to inspect and copy at

_____ [location address] on the following dates and times:

_____. You may submit comments or objections in writing to Rural Development during the 20-day period immediately following the posting of this notice. Comments or objections should include reasons or information you feel should be considered by the Agency. Your comments or objections must be filed prior to (insert date) with (insert loan servicer's name) located at (insert complete address of office). These comments will be reviewed by Rural Development and forwarded to the official who will decide if the change(s) should be approved.

Each tenant (member) will be notified in writing of any Rural Development's decision to deny or modify the change. If no further notification, the change will be implemented as stated in this notice. The approved rents and utility allowances will then be effective upon the effective date given above. **If you receive Rental Assistance, and the portion of the rent that you pay will either remain the same or decrease, you will not receive another written notice of an increase in rent.** If you receive Rental Assistance, and the portion of the rent that you pay will increase, you will receive a ___-day (insert 30 or 60 days, whichever is applicable).

(Signature) Borrower/Borrower's Representative

REFERENCE: HB-2-3560 Chapter 4

PURPOSE: RESERVED

Handbook Letter 205 (3560)

REFERENCE: HB-2-3560 Chapter 9

PURPOSE: Letter to Borrowers or Management Agents

RURAL DEVELOPMENT
[LOCATION]

Date: [insert today's date]

[Name of borrower]

[Address of borrower]

Dear [Insert Borrower/Management Agent Name]
[Insert Address]

Dear [Insert Name]:

Rural Development is implementing a wage and benefit matching system. The goal of the system is to find or prevent fraud, waste, and abuse of Federal benefits. We hope to achieve this goal through early detection of inaccurate information supplied on Tenant Certification Forms.

Rural Development is proud of its multi-family housing programs. Properties financed are generally well maintained and managed. Unfortunately, there are those who attempt to "beat the system" by providing inaccurate information to qualify for program benefits.

Beginning on [Insert appropriate date], Rural Development will have the capability to review wage and benefit information from the State Department of Labor (SDOL) for comparison with information provided on the most current Tenant Certification (Form RD 3560-8) to identify apparent inaccuracies. The Agency will be using this information to resolve discrepancies.

Should a review of SDOL data reveal a substantial discrepancy, you will have to contact the tenant household to solicit added information to explain any discrepancies, abuses, or to correct any errors. The goal is not to harass tenants but merely to resolve misunderstandings and errors as early as possible. The Agency's program will not usually look at past tenant certifications or recover any improper subsidy which may have been delivered in years past unless there is evidence of substantial abuse and the amount of the past unauthorized assistance exceeds \$1,000.

Upon receipt of this notice, you should take steps to inform tenants of the wage and benefit matching initiative. You may use the attached notice as a guide in preparing your own tenant notification. [Attachment C] This tenant notification must be sent within 30 days from the date of this letter and a copy of this notice forwarded to this office.

Any tenants that are contacted regarding discrepancies with SDOL data should be advised of their right to file a grievance under 7 CFR 3560.160 if the matter is not satisfactorily resolved. No corrective action will be initiated unless the tenant concurs with it in writing, or the timeframe for filing a grievance has passed, or the information presented in the grievance has been considered and acted upon.

The borrower or management agent will not be held responsible for repaying subsidies improperly received solely as a result of inaccurate information supplied by tenants. The borrower or management agent is expected to take corrective measures when inaccurate information is detected. The corrective measures should include prompt correction of inaccurate tenant certification forms, along with plans for tenant reimbursement for improperly delivered subsidy.

The reimbursement may be collected by lump sum or in a monthly amount added to the tenant's rent to recoup the improper subsidy.

If corrective measures cannot be achieved, tenant eviction proceedings should be promptly initiated. Tenants who falsify information and do not agree to corrective measures, or fail to uphold their subsidy repayment agreements, should be referred to the Agency along with supporting material.

In summary, the Agency's wage and benefit matching program will assist in detecting inaccuracies and dishonest actions. At the same time, the program should ensure that borrowers and management agents suffer no penalties as a result of a dishonest action on the part of others.

Sincerely,

[Insert Name]
[Insert Title of Signature Official]

Handbook Letter 206 (3560)

REFERENCE: HB-2-3560 Chapter 9

PURPOSE: Letter to Tenants

RURAL DEVELOPMENT
[LOCATION]

Date: [insert today's date]

[Name of borrower]

[Address of borrower]

Dear [Insert Tenant Name]
[Insert Address]

Dear [Insert Tenant Name]:

Rural Development is implementing a wage and benefit matching system. The goal of this system is to reduce fraud, waste, and abuse in Federal programs. This notice is to inform you about the program and how it may affect you.

Beginning on [Insert appropriate date], Rural Development will start receiving wage and benefit information from the State Department of Labor (SDOL). This information will be shared with the owners and management agents servicing your housing development. This information may then be compared against information provided on your Tenant Certification (Form RD 3560-8). Whenever differences are revealed, or result in the government providing unauthorized assistance in the form of rental subsidy, you may expect to be contacted for an explanation.

Rural Development assumes Tenant Certifications are completed as accurately as possible. However, misunderstandings and honest errors do occur. Unfortunately, there are also those who will report wrong information in order to qualify for Federal benefits. The objective of the record's check is to make sure that those needing assistance can receive assistance, while those who do not can be stopped and made to repay improperly received benefits.

Rural Development will implement a wage and benefit matching system fairly. Therefore, whenever a new or renewed Tenant Certification is completed, it will be subject to verification by the Agency and the owner or management agent servicing your housing development. If a problem is suspected, you will be contacted and asked to provide an explanation. If disagreements arise, you will be informed of your right to file a grievance under 7 CFR 3560.160. A copy of the grievance procedure is available from the owner or management agent servicing your housing development.

You can update or correct your existing Tenant Certification now until [*Insert date 45 days from the date the notice was received by the borrower/management agent*]. Of course, the updated and corrected Tenant Certification may result in changes to the Federal housing benefits your household is entitled to receive. However, initial changes that result in improper subsidies received by you would not be retroactive and subject to recapture if you disclose them during this grace period. Any discrepancies that result in receipt of improper assistance after this grace period ends will be subject to recapture.

If you have any further questions, please contact [*Insert contact information*].

Sincerely,

[*Insert Name*]

[*Insert Title of Signature Official*]

Handbook Letter 207 (3560)

REFERENCE: HB-2-3560 Chapter 9

PURPOSE: Letter to Notify Borrower or Management Agent of a Potential Wage or
Benefit Discrepancy Which Requires Review

RURAL DEVELOPMENT
[LOCATION]

Date: *[insert today's date]*

[Name of borrower]

[Address of borrower]

Dear *[Insert Borrower/Management Name]*
[Insert Address]

Dear *[Insert Borrower/Management Name]*:

Upon review of the attached information, we conclude that there is a discrepancy between the wages or benefits reported on Form RD 3560-8, "Tenant Certification," and those reported to *[Insert the appropriate state agency name]*.

Please review this information with the tenants and provide a written explanation as to your findings and what, if any, corrective arrangements (e.g., recovery of improper benefit agreements, evictions, legal proceedings, etc.) you are making. Please provide the explanation within 30 days of the date of this letter.

Should recovery of improper payments be required, Agency regulations require collections be made by lump sum cash payment, or payment over a reasonable period of time (usually not to exceed 90 days). Whenever concerns cannot be mutually resolved, the tenants must be advised of the right to file a grievance under the provisions of 7 CFR 3560.160.

If your explanation is not satisfactory to us, we will contact you to resolve the matter. The Agency will seek a mutually satisfactory resolution. Should this not be possible, you will be formally advised of our concerns and advised of any applicable appeal rights.

If you have any questions concerning the subject matter, please contact the Servicing Office staff at *[Insert Office Telephone Number]*.

Sincerely,

[Insert Name]

[Insert Title of Signature Official]

Attachments *[Attachments may include appropriate information summarizing results from the State wage information collection agency and Agency records]*

Handbook Letter 208 (3560)

REFERENCE: HB-2-3560 Chapter 9

PURPOSE: Request for Renewal Rental Assistance (RA) Allocation Change

Date:

TO: Stephanie White
Director
Multi-Family Housing Portfolio Management Division

ATTN: Susie Turner
Fax No. 202-720-0302

SUBJECT: Request for Renewal Rental Assistance (RA) Allocation Change

<u>Borrower's Name</u>	<u>Case & Project No.</u>	<u>No. of RA Units</u>	<u>Units Type</u>
_____	_____	_____	_____

ACTION REQUESTED: (Check one)

1. ____ Need to transfer ____ units from ____ quarter allocation to ____ quarter allocation due to _____.

2. ____ Need to increase/decrease ____ units for the ____ quarter allocation due to _____.

3. ____ Need to transfer ____ units from O&E Code ____ to O&E Code ____.

-
State Director
State Office - _____

=====

[] APPROVED use of these funds authorized solely for the above-named borrower and may not be used for any other borrower.

[] DISAPPROVED due to the following reasons: _____.

Please feel free to contact Susie Turner at (202) 720-1060 should you have any questions.

Stephanie White
Director
Multi-Family Housing Portfolio
Management Division

DATE

